



Public Service Commission of Wisconsin

Phil Montgomery, Chairperson
Eric Callisto, Commissioner
Ellen Nowak, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

October 10, 2013

TO: Telecommunication Providers in Wisconsin

RE: Assessments for Wisconsin's Universal Service Fund (USF):
Public Service Commission (PSC) Programs

The universal service fund (USF) assessments forwarded with this letter are for obligations of telecommunications providers operating in this state, including nomadic and non-nomadic Voice Over Internet Protocol (VOIP) providers,¹ to fund programs specifically established by the Wisconsin legislature. As specified in Wis. Stat. §§ 196.218(5)(a)1., 4., and 9. and Wis. Admin. Code § PSC 160.05(1), the USF may be used to fund the PSC USF programs.

In a delegated decision issued October 10, 2013, the PSC revised the assessment rate for the PSC USF programs.² The monthly USF assessment rate for these programs is based on the legislative appropriations for the programs, and 2012 retail telecommunications revenues as reported to the PSC by the telecommunications providers³. The billing enclosed with this letter reflects the new assessment rate for the PSC USF programs. **The monthly assessment rate for the PSC USF programs, applied to annual revenues, is .02625 percent.**

Please note that all providers are allowed to place a surcharge on customer bills to recover costs for all USF contributions. The following statutory provision is in effect for all providers:

196.218(3)(e): A telecommunications provider or other person may establish a surcharge on customers' bills to collect from customers contributions required under this subsection.

Instead of placing a surcharge on the bill, a telecommunications utility that provides local exchange service may adjust rates to recover state USF assessments, but if it does so, it must specifically identify that adjustment on customers' bills. The applicable statute is as follows:

¹ 2011 Wis. Act 22 requires USF assessment of interconnected VOIP service revenues. Non-nomadic VOIP providers were included in assessments beginning in 2011. Nomadic VOIP providers are included for the first time pursuant to the Commission's Final Determination Regarding Effects of 2011 Wisconsin Act 22 on the Universal Service Fund Assessment Methodology, in Dockets 5-GF-104 and 5-GF-209, issued November 18, 2011. That determination states: "The Commission determines that the effects of Act 22 on USF assessments shall become effective beginning with October 2011 assessments, except for nomadic VOIP service. The implementation of Act 22 regarding the initial USF assessment of nomadic VOIP providers will commence in October 2012, based on 2011 assessable revenues."

² Also in its October 10, 2013 delegated decision, the Commission revised the monthly assessment rates for the TEACH, UW-System, and DPI programs. The TEACH, UW-System, and DPI USF programs will continue to be billed separately from the PSC USF programs, and you will receive a separate letter about those assessments.

³ The Commission revised the USF assessment methodology from gross operating revenues to retail telecommunications revenues in an order dated October 4, 2011. (Docket 05-GF-104)

196.218(3)(f): Notwithstanding §§. 196.196(1) and (5)(d)2., 196.20(2m), (5) and (6), 196.213 and 196.215, a telecommunications utility that provides local exchange service may make adjustments to local exchange service rates for the purpose of recovering its contributions to the universal service fund required under this subsection. A telecommunications utility that adjusts local exchange service rates for the purpose of recovering such contributions **shall identify** on customer bills a single amount that is the total amount of the adjustment. The public service commission shall provide telecommunications utilities the information necessary to identify such amounts on customer bills⁴. (Emphasis added.)

The PSC website provides background and detailed information on bill identification and on the assessment rates at: <http://psc.wi.gov/utilityinfo/tele/usf/usfAssessments.htm>.

Thank you for your prompt remittance of billed assessment amounts and for your cooperation in making universal service programs a success in Wisconsin. Payment for the PSC USF assessment is to a discrete bank account. Please make out checks and send as instructed on the billing. Questions on invoices or payments may be directed to Wipfli LLP, at numbers shown on the bill. Other questions on the PSC USF assessment may be directed to me at: (608) 267-9624 or at: jeff.richter@wisconsin.gov.

Sincerely,



Jeffrey J. Richter
Universal Service Fund Director
Telecommunications Division

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⁴ This letter and the billing for the PSC USF programs, together with a separate letter and billing for TEACH, UW-System and DPI USF programs, provides this necessary information for telecommunications utilities.